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## ***Memorandum***

TO: BATA Oversight Committee

DATE: April 1, 2015

FR: Executive Director

W. I. 1254

RE: Contract Amendment – Collection Services: Law Enforcement Systems, LLC (\$1,000,000 annually for FY 2015-16 through FY 2018-19)

This memorandum asks for Committee approval of a contract amendment with Law Enforcement Systems, LLC (LES) to provide funding for continued collection services on toll violations and delinquent FasTrak® accounts through June 30, 2019, in an amount not to exceed \$1,000,000 annually, subject to the approval of future BATA Budgets.

### **Background**

In February 2014, following a competitive procurement, the BATA Oversight Committee approved a contract for LES to perform collection services on toll violations and delinquent FasTrak® accounts for a five-year term through June 30, 2019, with an option to extend for an additional five years in one-year increments. The initial dollar amount of the contract was approved at an amount not to exceed \$700,000 for FY 2014-15. LES is paid out of its recoveries: 25% of violations and closed delinquent accounts and 36% if the matter requires a court action. The collections recovery rate has remained consistent at about 12%. Because violations have increased 10% for FY 2014-15, due in part to a 4% increase in total bridge traffic, staff estimate collection costs for future years will be approximately \$1,000,000 annually. Staff has been satisfied with the overall work of LES and recommends an increase in the annual contract amount to \$1,000,000.

LES performs collection service for the FasTrak® Customer Service Center as follows:

- (1) Collection services for outstanding toll violations occurring on the seven State-owned Bay Area bridges and Golden Gate Bridge that are not accepted for Department of Motor Vehicle (DMV) Hold. For violations on DMV hold that the DMV is unable to collect, the hold is released after 24 months. These violations are also sent to the collection agency.
- (2) Collection services for delinquent FasTrak® accounts closed due to non-payment.

Attachment A includes a summary of LES and its project team's small and disadvantaged business enterprise status.

**Recommendation**

Staff recommends that this Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract amendment with LES to provide funding for continued professional collection services through June 30, 2019, in an amount not to exceed \$1,000,000 for each fiscal year, subject to approval of future BATA Budgets.



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Steve Heminger

SH: gl

## Attachment A

	Firm Name	Role on Project	DBE* Firm		SBE** Firm	
			Yes	If Yes, List #	Yes	If Yes, List #
Prime Contractor	Law Enforcement Systems, LLC	Collections Services				
Subcontractor	Greenbaum Law Group	Legal Collections				

\*Denotes certification by the California Unified Certification Program (CUCP).

\*\*Denotes certification by the State of California.

**REQUEST FOR COMMITTEE APPROVAL**  
**Summary of Proposed Contract Amendment**

**Work Item No.:** 1254

**Vendor:** Law Enforcement Systems, LLC

**Work Project Title:** Collection Services

**Purpose of Project:** Collection services for toll violations and delinquent FasTrak<sup>®</sup> accounts through FY 2018-19

**Brief Scope of Work:** Perform collection services for delinquent FasTrak<sup>®</sup> accounts and for toll violations occurring on the seven State-owned Bay Area bridges and Golden Gate Bridge. The seven State-owned Bay Area bridges are: Antioch, Benicia, Carquinez, Dumbarton, Richmond-San Rafael, San Francisco-Oakland, and San Mateo-Hayward.

**Project Cost Not to Exceed:** This amendment: \$1,000,000 annually for four fiscal years  
Total contract value before this amendment: \$700,000.  
Total value of contract after amendment: \$4,700,000.

**Funding Source:** BATA violation revenue

**Fiscal Impact:** Funds to be included in the BATA Operating Budget, subject to approval of the FY 2015-16 and future BATA Budgets

**Motion by Committee:** That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Law Enforcement Systems, LLC for the services described above and in the Executive Director's Memorandum dated April 1, 2015, and the Chief Financial Officer is authorized to set aside funds in the amount of \$1,000,000 annually for such contract amendment, subject to the approval of future BATA Budgets.

**BATA Oversight Committee:**

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Amy Rein Worth, Chair

**Approved:** Date: April 8, 2015